

## Amendments to the Specification

After the paragraph beginning at page 9, line 6, which starts with “Referring now to Figures 6 and 7”, please add the following new paragraph :

To illustrate these objectives, Figure 6 shows an overview that shows state benefits 602 and supplier benefits 604 for certain embodiments of the present invention. State benefits 602 may include administrative cost savings, reduced prices and a better procurement process generally. Supplier benefits 604 may include administrative cost savings, faster procurement, greater access to buyers and better information generally. In particular, these benefits can include a “new” 606 (i.e., under an embodiment of the present invention) that is substantially less than a nominal “old” price 608. This difference between the “new” price 606 and the “old” price 608 can enable a direct savings to the state 610 as well as a fee 612 to support the eProcurement system.

After the paragraph beginning at page 10, line 8, which starts with “The business model can be broken down into two basic components”, please add the following new paragraph :

Figure 7 shows a preferred business model overview 704 according to the present invention. A service strategy 704 relates relevant entities and processes to a more specific services pool 706 and a more specific funding pool 708 together with a mechanism 710 for managing over-funded and under-funded services.

Please replace the paragraph beginning at page 10, line 14, with the following amended paragraph:

~~The services which could be provided~~ service strategy 704 may include the following service-related entities and processes:

Please replace the paragraph beginning at page 10, line 15, with the following amended paragraph:

1) Project Management Office (PMO) —This would include the resources to assist in the management of the E-Commerce office for the duration of the contract.

Please replace the paragraph beginning at page 11, line 11, with the following amended paragraph:

~~The funding sources which could support the above services include~~ pool 708 may include the following :

Please delete the paragraph beginning at page 11, line 20, which starts with “3)”.

Please replace the paragraph beginning at page 12, line 4, with the following amended paragraph:

3) [[4]] Strategic Sourcing – Strategic Sourcing is a technique used to obtain the same or similar goods and services to the State at a lower cost than is currently being paid. This is accomplished by conducting fact based negotiations using market data and volume purchasing potential. Also, the Services Provider team may have pre-negotiated prices with suppliers which are lower than the State’s current price. Savings generated through strategic sourcing will be accrued to the self-funding pool. A ceiling for strategic sourcing savings will be established and savings above the ceiling will be shared with the State.

Please replace the paragraph beginning at page 12, line 13, with the following amended paragraph:

4) [[5]] Administrative Cost Savings – Cost savings derived from improved efficiencies resulting from the utilization of E-Procurement automation will provide benefits to the State. Experience has demonstrated a significant savings in procurement costs using E-Procurement. Again, a method would be established for the incorporation of these savings into the self-funding model – e.g. 50% of all savings would be incorporated into the self-funding pool.

Please replace the paragraph beginning at page 12, line 20, with the following amended paragraph:

5) [[6]] Transactions – Transactions are intention based activities performed by citizens or businesses in interaction with the State. Examples include licenses, registration, inquiries etc. These transactions may have a fee associated with them and this fee would be part of the self-funding sources.

Please replace the paragraph beginning at page 12, line 24, with the following amended paragraph:

6) [[7]] Subscription Services - Subscription services are standard monthly access fees charged users to allow access to a series of services, information or other transactions that improve the efficiency of their interaction with the portal provider. These fees would be part of the self-funding sources as allowed by law.

Please replace the paragraph beginning at page 13, line 1, with the following amended paragraph:

The services pool 706 may include services related to labor, eProcurement, suppliers, hosting, etc. Services to be provided to the State in the self-funding model would be agreed to by the State and the Services Provider team. The more services to be provided through the self-funding model by the Services Provider team, the greater the commitment by the State to the acquisition of the funding sources identified above. But more importantly the business model provides the framework for self-funding of significant E-Commerce activities. It has been developed with flexibility in mind and is designed to meet the requirements of the State.

Please replace the paragraph beginning at page 13, line 9, with the following amended paragraph:

The mechanism 710 for managing over-funded and under-funded services may include sharing options for over-funded services and adjustment options for under-funded services. The goal of the self-funding business model is to manage the proper balance of funding sources against the cost of providing services. The business model is an on-going management tool and resource. As the scope of services or other activities change or as the ability to derive funding sources adjust, the State and the Services Provider team will monitor the business model impact. The goals for both parties should be to maintain the incentives for mutual success. The following are examples of business model adjustments that may be required during this project: